
**ATLANTIC COAST
COPPER CORPORATION
LIMITED**

ANNUAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 1978**



ATLANTIC COAST COPPER CORPORATION LIMITED

Incorporated under the laws of Ontario on May 15, 1956

DIRECTORS

A. G. KIRKLAND. Saint John, New Brunswick
D. A. MACFARLANE. Saint John, New Brunswick
DR. A. L. McALLISTER. Fredericton, New Brunswick
G. F. PUSHIE. St. John's, Newfoundland
L. McC. RITCHIE. Saint John, New Brunswick

OFFICERS

L. McC. RITCHIE. *President*
A. G. KIRKLAND. *Vice-President*
D. A. MACFARLANE. *Secretary and Treasurer*
MRS. M. JONES. *Assistant Secretary*

HEAD OFFICE

SUITE 1100, 21 KING ST. EAST. Toronto, Ontario

EXECUTIVE OFFICE

GOLDEN BALL BUILDING. Saint John, New Brunswick

TRANSFER AGENT AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA. Toronto, Ontario

AUDITORS

COOPERS & LYBRAND. Saint John, New Brunswick

ANNUAL MEETING

April 19, 1979 9:30 a.m. (Toronto time)
Saskatchewan Room, Royal York Hotel, Toronto, Ont.

ATLANTIC COAST COPPER CORPORATION LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Net earnings for 1978 were \$56,211 compared with \$27,770 in 1977. The increase of \$28,441 was primarily the result of increased dividend income from the Corporation's holding of shares of Brunswick Mining and Smelting Corporation Limited (Brunswick). Brunswick paid a dividend of 10c per share in 1978 compared with 5c per share in 1977.

Operating expenses were reduced modestly (about 5%) in 1978.

There were no changes in 1978 in the Corporation's portfolio of marketable securities other than the exchange of 4,000 shares of The Royal Trust Company for 5,300 shares of Royal Trustco Limited. Due largely to an improvement in the quoted value of Brunswick, the market value of the portfolio improved from \$2,742,000 at the end of 1977 to \$3,983,000 at the end of 1978.

The Corporation continues to hold its direct and indirect investment in Consolidated Rambler Mines Limited (Rambler) (about 18.4%). Because of firmer metal prices, the discount on the Canadian dollar in terms of U.S. and European currencies and increased output, Rambler is expected to have had an above average profit for the year 1978. Your management is hopeful that 1979 will also show satisfactory operating results although confirmed ore reserves are relatively low.

There has been no change in the Board of Directors or management of the Corporation in 1978.

On behalf of the Board.

L. McC. RITCHIE,
President.

Saint John, N.B.

February 20, 1979.

COOPERS & LYBRAND

CHARTERED ACCOUNTANTS
801 BRUNSWICK HOUSE
SAINT JOHN, N. B., CANADA

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Atlantic Coast Copper Corporation Limited as at December 31, 1978 and the statements of earnings and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the corporation as at December 31, 1978 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COOPERS & LYBRAND

Chartered Accountants.

January 28, 1979

ATLANTIC COAST COPPER

BALANCE SHEET AS AT

ASSETS

| | 1978 | 1977 |
|--|--------------------|--------------------|
| | \$ | \$ |
| CURRENT ASSETS | | |
| Cash and short-term deposits with accrued interest..... | 201,708 | 183,353 |
| Marketable securities — at cost | | |
| (quoted value — \$3,983,000; 1977 — \$2,742,000)..... | 2,761,622 | 2,761,969 |
| Accounts receivable..... | 182,894 | 152,114 |
| | 3,146,224 | 3,097,436 |
| INVESTMENTS IN ASSOCIATED CORPORATIONS (note 1) | 1,400,093 | 1,400,093 |
| FIXED ASSETS | | |
| Vehicles and office equipment — at cost less | | |
| accumulated depreciation of \$13,245; | | |
| 1977 — \$10,915..... | 6,562 | 8,669 |
| | <u>\$4,552,879</u> | <u>\$4,506,198</u> |

SIGNED ON BEHALF OF THE BOARD

L. McC. RITCHIE, Director

D. A. MACFARLANE, Director

CORPORATION LIMITED

DECEMBER 31, 1978

LIABILITIES

| | 1978 | 1977 |
|---|---------------|---------------|
| | \$ | \$ |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities. | <u>13,369</u> | <u>22,899</u> |

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized —

5,000,000 shares without par value

Issued and fully paid —

| | | |
|---------------------------|-----------|-----------|
| 4,300,000 shares. | 3,390,000 | 3,390,000 |
|---------------------------|-----------|-----------|

| | | |
|-----------------------------------|-------------------------|-------------------------|
| RETAINED EARNINGS. | <u>1,149,510</u> | <u>1,093,299</u> |
| | <u>4,539,510</u> | <u>4,483,299</u> |
| | <u><u>4,552,879</u></u> | <u><u>4,506,198</u></u> |

ATLANTIC COAST COPPER CORPORATION LIMITED

STATEMENT OF EARNINGS AND RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1978

| | 1978 | 1977 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| REVENUE | | |
| Investment income..... | 108,756 | 81,653 |
| Other..... | <u>3,890</u> | <u>5,427</u> |
| | <u>112,646</u> | <u>87,080</u> |
| EXPENSES | | |
| Operating..... | 46,691 | 49,120 |
| Exploration costs..... | 7,413 | 7,037 |
| Depreciation..... | <u>2,331</u> | <u>3,153</u> |
| | <u>56,435</u> | <u>59,310</u> |
| NET EARNINGS FOR THE YEAR..... | 56,211 | 27,770 |
| RETAINED EARNINGS — BEGINNING OF YEAR..... | 1,093,299 | 1,065,529 |
| RETAINED EARNINGS — END OF YEAR..... | <u>1,149,510</u> | <u>1,093,299</u> |
| EARNINGS PER SHARE..... | .01 | .01 |

ATLANTIC COAST COPPER CORPORATION LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1978

| | 1978 | 1977 |
|--|------------------|------------------|
| | \$ | \$ |
| SOURCE OF WORKING CAPITAL | | |
| From operations..... | 58,542 | 30,923 |
| USE OF WORKING CAPITAL | | |
| Purchase of fixed assets (net)..... | 223 | 269 |
| INCREASE IN WORKING CAPITAL..... | 58,319 | 30,654 |
| WORKING CAPITAL — BEGINNING OF YEAR..... | <u>3,074,536</u> | <u>3,043,882</u> |
| WORKING CAPITAL — END OF YEAR..... | <u>3,132,855</u> | <u>3,074,536</u> |

ATLANTIC COAST COPPER CORPORATION LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1978

1. INVESTMENTS IN ASSOCIATED CORPORATIONS

| | | <u>Quoted Value</u> | |
|---|------------------|---------------------|----------------|
| | Cost | 1978 | 1977 |
| | \$ | \$ | \$ |
| Northern Canada Mines Limited | | | |
| 253,271 shares..... | 271,687 | 113,972 | 73,449 |
| Consolidated Rambler Mines Limited | | | |
| 450,000 shares..... | 1,128,406 | 702,000 | 517,500 |
| | <u>1,400,093</u> | <u>815,972</u> | <u>590,949</u> |

The corporation owns 16.2% of Northern Canada Mines, Limited and 15.1% of Consolidated Rambler Mines Limited and its proportionate share of the equity underlying the investments is \$1,996,000 (1977 — \$1,383,000).

2. DIRECTORS' AND SENIOR OFFICERS' REMUNERATION

The direct remuneration paid or payable to senior officers as defined by the Business Corporations Act aggregated \$83,852 in 1978 of which \$63,050 was charged to other companies.

